

SENATE RECORD VOTE ANALYSIS

104th Congress
1st Session

Vote No. 548

October 27, 1995, 7:51 p.m.
Page S-16030 Temp. Record

BALANCED BUDGET RECONCILIATION/Capital Gains, Expatriates

SUBJECT: Balanced Budget Reconciliation Act of 1995 . . . S. 1357. Domenici motion to table the Dorgan/Harkin amendment No. 3033.

ACTION: MOTION TO TABLE AGREED TO, 66-33

SYNOPSIS: As reported, S. 1357, the Balanced Budget Reconciliation Act of 1995, will result in a balanced budget in seven years, as scored by the Congressional Budget Office (CBO). The bill will also provide a \$245 billion middle-class tax cut, \$141.4 billion of which will be to provide a \$500 per child tax credit.

The Dorgan/Harkin amendment would strike the bill's provisions to provide capital gains tax relief to individuals and would substitute anemic provisions. It would also amend the bill's provisions that are designed to stop tax avoidance by renouncing one's United States' citizenship. More specifically, the amendment would lower the effective capital gains tax rate to 19.8 percent for the first \$250,000 in capital gains an individual had on assets that were held for more than 10 years. This lower rate would not apply to the first \$250,000 each year—it would be a lifetime limit; thus, if in one fiscal year an individual had \$250,000 in such gains, those gains would be taxed at the effective 19.8 percent rate, but if in the next year that individual had any capital gains they would be taxed at the full rate. (The bill's provisions for individual capital gains tax relief will provide a 50-percent deduction for capital gains on any property held for at least 1 year, effectively resulting in a 19.8 percent tax rate). Elements that the Bradley amendment and the bill share in common are that both: would treat half of the lower capital gains tax as a tax preference under the alternative minimum tax (AMT); would continue to tax collectibles at 28 percent; and would not index capital gains to offset inflation. The section of the Bradley amendment on expatriates would insert that citizens who had become expatriates would be taxed as resident aliens if they were in the country for more than 30 days in a calendar year (instead of 180 days), to the extent such taxes could be imposed without violating treaty requirements.

The amendment was offered after all debate time had expired. However, by unanimous consent, 1 minute of debate was allowed on the amendment. Following debate, Senator Domenici moved to table the amendment. Generally, those favoring the motion to table opposed the amendment; those opposing the motion to table favored the amendment.

(See other side)

YEAS (66)			NAYS (33)		NOT VOTING (0)	
Republicans (48 or 91%)	Democrats (18 or 39%)		Republicans (5 or 9%)	Democrats (28 or 61%)	Republicans (0)	Democrats (0)
Abraham	Helms	Baucus	Cohen	Akaka		
Ashcroft	Hutchison	Biden	Craig	Bingaman		
Bennett	Inhofe	Bradley	Kempthorne	Boxer		
Bond	Jeffords	Breaux	Pressler	Bumpers		
Brown	Kassebaum	Bryan	Snowe	Byrd		
Burns	Kyl	Glenn		Conrad		
Campbell	Lott	Graham		Daschle		
Chafee	Lugar	Heflin		Dodd		
Coats	Mack	Johnston		Dorgan		
Cochran	McCain	Kerrey		Exon		
Coverdell	McConnell	Kohl		Feingold		
D'Amato	Murkowski	Levin		Feinstein		
DeWine	Nickles	Lieberman		Ford		
Dole	Roth	Moseley-Braun		Harkin		
Domenici	Santorum	Moynihan		Hollings		
Faircloth	Shelby	Nunn		Inouye		
Frist	Simpson	Pell		Kennedy		
Gorton	Smith	Reid		Kerry		
Gramm	Specter			Lautenberg		
Grams	Stevens			Leahy		
Grassley	Thomas			Mikulski		
Gregg	Thompson			Murray		
Hatch	Thurmond			Pryor		
Hatfield	Warner			Robb		
				Rockefeller		
				Sarbanes		
				Simon		
				Wellstone		

EXPLANATION OF ABSENCE:

- 1—Official Business
- 2—Necessarily Absent
- 3—Illness
- 4—Other

SYMBOLS:

- AY—Announced Yea
- AN—Announced Nay
- PY—Paired Yea
- PN—Paired Nay

Those favoring the motion to table contended:

The capital gains provision in this bill will provide minimal relief and will be a nightmare to monitor and enforce. The section on the so-called "billionaire's loophole" (which will apply to any expatriate with more than \$100,000 in annual net income) will monkey with the measures that were carefully crafted by Senator Moynihan to comport with international law. We should not cavalierly throw a grenade into the middle of those provisions. Both parts of this amendment are objectionable so it should therefore be tabled.

Those opposing the motion to table contended:

This amendment would limit the bill provisions to provide capital gains tax relief to individuals. Specifically, it would only give relief to low- and moderate-income Americans. In so doing, it will increase tax collections by \$10 billion. Second, it will strengthen the provisions to close the expatriate tax loophole, more commonly known as the "billionaire's tax loophole" or the "Benedict Arnold" loophole. We trust our colleagues will join us in supporting this amendment.